

AMENDED IN SENATE APRIL 14, 2009

**SENATE BILL**

**No. 191**

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**Introduced by Senator Wright**

February 18, 2009

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An act to amend Section 47660 of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

SB 191, as amended, Wright. Charter schools: funding.

Existing law requires the Superintendent of Public Instruction annually to compute a general-purpose entitlement for each charter school, as specified. Existing law prescribes calculations to modify that general-purpose entitlement with regard to specified pupils who attend a charter school that is established through the conversion of an existing public school within a unified school district on or after July 1, 2005.

This bill instead would require that those modified calculations for ~~charter~~ schools that convert to charter schools on or after July 1, 2005, only be made ~~for the first three fiscal years subsequent to the conversion of the school until the end of the 2009–10 fiscal year. The bill would~~ require, following this three fiscal year period, that the general-purpose entitlement for schools that convert to charter schools on or after July 1, 2005, be no greater than the amount calculated by the Superintendent for charter schools generally. ~~The bill would provide that a unified school district that is the sponsoring local educational agency, as defined, of a charter school is not required to make the modified calculations for a converted charter school in any fiscal year if the unified school district certifies an entitlement to an apportionment amount, as determined pursuant to a specified statute, that is lower than the apportionment amount the unified school district certified in the prior~~

fiscal year. The bill would declare that its provisions do not preclude a charter school or unified school district from agreeing to an alternative funding formula.

*For schools that convert to charter schools on or after July 1, 2010, the bill would modify those calculations to include both funds expended for the schoolsite and a pro rata per pupil share of total unrestricted revenues spent for district support and administration, except that this modification would not apply to a charter school that is independently governed and operated by a nonprofit public benefit corporation.*

*The bill would declare that its provisions do not preclude a charter school or unified school district from agreeing to an alternative funding formula.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 47660 of the Education Code is amended  
2 to read:  
3 47660. (a) For purposes of computing eligibility for, and  
4 entitlements to, general purpose funding and operational funding  
5 for categorical programs, the enrollment and average daily  
6 attendance of a sponsoring local educational agency shall exclude  
7 the enrollment and attendance of pupils in its charter schools  
8 funded pursuant to this chapter.  
9 (b) (1) Notwithstanding subdivision (a), and commencing with  
10 the 2005–06 fiscal year, for purposes of computing eligibility for,  
11 and entitlements to, revenue limit funding, the average daily  
12 attendance of a unified school district, other than a unified school  
13 district that has converted all of its schools to charter status  
14 pursuant to Section 47606, shall include all attendance of pupils  
15 who reside in the unified school district and who would otherwise  
16 have been eligible to attend a noncharter school of the school  
17 district, if the school district was a basic aid school district in the  
18 prior fiscal year, or if the pupils reside in the unified school district  
19 and attended a charter school of that school district that converted  
20 to charter status on or after July 1, 2005. Only the attendance of  
21 the pupils described by this paragraph shall be included in the  
22 calculation made pursuant to paragraph (7) of subdivision (h) of  
23 Section 42238.

(2) Notwithstanding subdivision (a), for the 2005–06 fiscal year only, for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606 and is operating them as charter schools, shall include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the unified school district if the pupils attended a charter school operating in the unified school district prior to July 1, 2005. Only the attendance of pupils described by this paragraph shall be included in the calculation made pursuant to Section 42241.3. The attendance of the pupils described by this paragraph shall be included in the calculation made pursuant to paragraph (7) of subdivision (h) of Section 42238.

~~(c) Commencing with the 2005–06 fiscal year~~ (1) *From July 1, 2005, to June 30, 2010, inclusive*, for the attendance of pupils specified in subdivision (b), the general-purpose entitlement for a charter school that is established through the conversion of an existing public school within a unified school district on or after July 1, 2005, *but before July 1, 2010*, shall be determined using the following amount of general-purpose funding per unit of average daily attendance, in lieu of the amount calculated pursuant to subdivision (a) of Section 47633:

~~(1)~~

(A) The amount of the actual unrestricted revenues expended per unit of average daily attendance for that school in the year prior to its conversion to, and operation as, a charter school, adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted for equalization, deficit reduction, and other state general-purpose increases, if any, provided for the unified school district in the year of conversion to, and operation as a charter school.

~~(2)~~

(B) For a subsequent fiscal year, the general-purpose entitlement shall be determined based on the amount per unit of average daily attendance allocated in the prior fiscal year adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted

1 for equalization, deficit reduction, and other state general-purpose  
2 increases, if any, provided for the unified school district in that  
3 fiscal year.

4 ~~(3) The calculations set forth in this subdivision shall only be~~  
5 ~~made for the first three fiscal years subsequent to the conversion~~  
6 ~~of the school to a charter school on or after July 1, 2005, pursuant~~  
7 ~~to Section 47606. Following this three fiscal year period, the~~  
8 ~~general-purpose entitlement for schools that convert to charter~~  
9 ~~schools on or after July 1, 2005, shall be no greater than the amount~~  
10 ~~calculated pursuant to Section 47633. A unified school district that~~  
11 ~~is the sponsoring local educational agency, as defined in~~  
12 ~~subdivision (j) of Section 47632, of a charter school shall not be~~  
13 ~~required to make the calculations set forth in this subdivision in~~  
14 ~~any fiscal year if the unified school district certifies an entitlement~~  
15 ~~to an apportionment amount, as determined pursuant to Section~~  
16 ~~42238, that is lower than the apportionment amount the unified~~  
17 ~~school district certified in the prior fiscal year. This paragraph does~~  
18 ~~not preclude a charter school or unified school district from~~  
19 ~~agreeing to an alternative funding formula.~~

20 *(2) (A) Commencing with the 2010–11 fiscal year, for the*  
21 *attendance of pupils specified in subdivision (b), the*  
22 *general-purpose entitlement for a charter school that is established*  
23 *through the conversion of an existing public school within a unified*  
24 *school district, on or after July 1, 2010, shall be determined using*  
25 *the following amount of general-purpose funding per unit of*  
26 *average daily attendance, in lieu of the amount calculated pursuant*  
27 *to subdivision (a) of Section 47633:*

28 *(i) The amount of the actual unrestricted revenues expended*  
29 *per unit of average daily attendance for that school in the year*  
30 *prior to its conversion to, and operation as, a charter school,*  
31 *adjusted for the base revenue limit per pupil inflation increase*  
32 *adjustment set forth in Section 42238.1, if this adjustment is*  
33 *provided, and also adjusted for equalization, deficit reduction,*  
34 *and other state general-purpose increases, if any, provided for the*  
35 *unified school district in the year of conversion to, and operation*  
36 *as, a charter school. The amount calculated under this clause shall*  
37 *include both funds expended for the schoolsite and a pro rata per*  
38 *pupil share of total unrestricted revenues spent for district support*  
39 *and administration.*

1     (ii) *For a subsequent fiscal year, the general-purpose entitlement*  
2 *shall be determined based on the amount per unit of average daily*  
3 *attendance allocated in the prior fiscal year adjusted for the base*  
4 *revenue limit per pupil inflation increase adjustment set forth in*  
5 *Section 42238.1, if this adjustment is provided, and also adjusted*  
6 *for equalization, deficit reduction, and other state general-purpose*  
7 *increases, if any, provided for the unified school district in that*  
8 *fiscal year.*

9     (B) *This paragraph shall not apply to a charter school that is*  
10 *independently governed and operated by a nonprofit public benefit*  
11 *corporation, which shall instead receive general-purpose funding*  
12 *pursuant to Section 47633.*

13     (C) *This paragraph does not preclude a charter school or unified*  
14 *school district from agreeing to an alternative funding formula.*

15     (d) Commencing with the 2005–06 fiscal year, the  
16 general-purpose funding per unit of average daily attendance  
17 specified for a unified school district for purposes of paragraph  
18 (7) of subdivision (h) of Section 42238 for a school within the  
19 unified school district that converted to charter status on or after  
20 July 1, 2005, shall be deemed to be the amount computed pursuant  
21 to subdivision (c).

22     (e) A unified school district that is the sponsoring local  
23 educational agency as defined in subdivision (j) of Section 47632  
24 of a charter school that is subject to ~~the provisions~~ *paragraphs (1)*  
25 *and (2) of subdivision (c) shall certify to the Superintendent the*  
26 *amount specified in paragraph (1) of subdivision (c) prior to the*  
27 *approval of the charter petition by the governing board of the*  
28 *school district. This amount may be based on estimates of the*  
29 *unrestricted revenues expended in the fiscal year prior to the*  
30 *school's conversion to charter status and the school's operation as*  
31 *a charter school, provided that the amount is recertified when the*  
32 *actual data becomes available.*

33     (f) For the purposes of this section, “basic aid school district”  
34 means a school district that does not receive from the state an  
35 apportionment of state funds pursuant to subdivision (h) of Section  
36 42238.

37     (g) A school district may use the existing Standardized Account  
38 Code Structure and cost allocation methods, if appropriate, for an  
39 accounting of the actual unrestricted revenues expended in support  
40 of a school pursuant to subdivision (c).

- 1 (h) For purposes of this section and Section 42241.3, “operating”
- 2 means that pupils are attending, and receiving instruction at the
- 3 charter school.

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